

University of Montana ScholarWorks at University of Montana

Mike Mansfield Speeches

Mike Mansfield Papers

8-7-1970

Congressional Record - Interstate Commerce - Proposal to Abolish

Mike Mansfield 1903-2001

Let us know how access to this document benefits you.

Follow this and additional works at: https://scholarworks.umt.edu/mansfield_speeches

Recommended Citation

Mansfield, Mike 1903-2001, "Congressional Record - Interstate Commerce - Proposal to Abolish" (1970). *Mike Mansfield Speeches*. 895.
https://scholarworks.umt.edu/mansfield_speeches/895

This Speech is brought to you for free and open access by the Mike Mansfield Papers at ScholarWorks at University of Montana. It has been accepted for inclusion in Mike Mansfield Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.

August 7, 1970

the western rails by using borrowed boxcars which cost them less money than owning their own. The action taken by the ICC has not been sufficient to materially change the situation. The Congress is giving the Commission funds for some 140 additional personnel under the car division. I hope these inspectors will be put in the field where they can report and act on shortages and in places to determine which lines are violating orders to return cars and act accordingly.

The repeated approval of freight rate increases is disturbing; producer, shipper, and consumer protests have been to no avail. In Montana, the grain farmers are always hard hit by these increases. They bear the burden of increasing freight costs out of a declining income that has put many out of business. Blanket increases of freight rates work the hardest on the States with the highest freight rates—and that includes Montana—even though the railroads serving them are not those with the greatest financial problems. Freight rates have historically been a major deterrent to economic expansion of the Big Sky Country, and the position taken by the Commission has only compounded the problem.

Mr. President, I read from an Associated Press dispatch dated August 6, 1970—yesterday, that is—

FREIGHT RATES

WASHINGTON (AP).—The Interstate Commerce Commission today made permanent—

Made permanent—

an across-the-board 6 per cent increase in railroad freight rates it had granted on an interim basis last Nov. 17.

The permanent 6 per cent rate increase applies to all shipped products except western grains and grain products and fresh fruits and vegetables, which the Commission tentatively said could go up to five per cent.

What a break.

Commission Vice Chairman Dale Hardin, in a dissent to the Commission's order, criticized his colleagues for what he called "rubber stamping" the railroads' request for a flat six per cent hike rather than allowing the increase only on selected commodities.

In addition to the six per cent hike sought last November and granted today, the railroads last March sought a second six per cent increase. On May 27, the ICC granted a temporary five per cent increase in rates for most products, giving the railroads an effective 11 per cent hike in freight revenues.

The time has come when we should be concentrating on the consumer; the Interstate Commerce Commission seemingly has been far too industry-oriented.

I do not believe the hands of the ICC are tied; I believe that their authority is flexible and if so disposed, it could act in behalf of the general public.

The regulatory process in the Interstate Commerce Commission has become so cumbersome I am convinced that the only way out is to abolish the Commission and incorporate the necessary activities within the Department of Transportation. The Department, under the guidance of the previous Secretary Alan Boyd and the present Secretary, John Volpe, has done a remarkable job of bringing together and administering a very complex situation in all fields of transportation. Policy matter governing

freight rates, boxcars, and passenger train service can best be administered within the Department of Transportation, a logical extension of executive reorganization, in my estimation. The antiquated ratemaking procedure now in effect at the Commission is in need of immediate attention.

While I believe that the ICC, as it now is constituted, has outlasted its usefulness, there is a continuing need for a Federal office to represent the consumers of the Nation in various proceedings. My able colleague, the junior Senator from Montana (Mr. METCALF), is now in the process of preparing a legislative proposal to be known as the Transportation Consumers' Counsel Act of 1970. This new office would have the necessary power to represent the interests of the transportation consumers before any Federal agency or Federal court.

The frustration created by the present regulatory process must be broken. We are living in a new age. Our citizens are aware, and they know that their interests in the transportation and shipping areas are not necessarily being given the attention they deserve.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter from an old friend of mine, Viggo Andersen of Great Falls, Mont., addressed to my distinguished colleague (Mr. METCALF), under date of April 28, 1970, and a letter by Mr. Andersen addressed to George M. Stafford, Chairman of the Interstate Commerce Commission, under date 27, 1970.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

GREAT FALLS, MONT.,
April 28, 1970.

SENATOR LEE METCALF,
U. S. Senate,
Washington, D.C.

DEAR SENATOR METCALF: Thank you for your letter of March 12 concerning legislation to establish an office of consumer counsel for rail users. It certainly seems that something needs to be done about the way the ICC operates.

The Montana Grain Growers and the Montana Wheat Commission are filing a joint protest against the further 6% increase in rail rates proposed in Ex Parte 265. The Citizens Freight Rate Commission is also filing a protest. The arguments in these protests sound very convincing to me, but in the light of past ICC decisions it is difficult to be optimistic.

I have written George Stafford, chairman of the ICC, to try to get a more complete picture of what we are up against and I enclose a copy of the letter. I will keep you informed of any reply. Thank you for your interest in this matter.

Sincerely,
VIGGO ANDERSEN,
Chairman, Transportation Committee,
Montana Grain Growers Association.

GREAT FALLS, MONT.,
April 27, 1970.

GEORGE M. STAFFORD,
Chairman, Interstate Commerce Commission,
Washington, D.C.

DEAR MR. STAFFORD: I am a wheat farmer in Montana and transportation committee chairman of the Montana Grain Growers Organization. I am very concerned about the detrimental effect of Ex Parte 265 on the western states and Montana in particular.

We and other similar organizations have submitted individual and/or joint state-

WHY NOT ABOLISH THE INTER-STATE COMMERCE COMMISSION?

Mr. MANSFIELD. Mr. President, the role of the regulatory agency in the Federal system is an important one in that it was conceived as the protector of the public interest and regulator of commerce, communications, and utilities. Unfortunately, and in my estimation, the independence of these agencies is somewhat in doubt. Their public service role has given way to cumbersome bureaucratic processes. As a Senator from the State of Montana, I am deeply concerned about the lack of concern given to rural, sparsely populated States. This criticism is directed largely at the Interstate Commerce Commission. In short, I believe that, and I say this most reluctantly, that the ICC should be abolished. Some of its activities can be discontinued and others incorporated into an agency within and under the jurisdiction of the Department of Transportation.

Passenger trains service is deteriorating rapidly—it is becoming almost nonexistent—railroad corporations are ignoring their public responsibilities; the consumer is receiving no consideration in freight rate proceedings—and especially so, in the State of Montana, which I believe has the highest freight rates in the Nation—the regulation of rail car orders and the boxcar shortage—again, most especially in Montana—are completely out of hand.

The railroads of our Nation for many years provided excellent passenger service to our citizens. In face of modern methods, the need for new equipment and modernized management, the ICC has allowed the railroad giants to retreat from their position of responsibility in this area and to concentrate on hauling freight.

Why? That is where the money is. That is where the profits are.

The boxcar shortage has plagued the shippers of Montana for almost as long as I have served in the Congress. What was once a seasonal situation is now with us constantly, and the western railroads are unable to give service at peak periods to the grain and lumber industries. The eastern rails are taking advantage of

August 7, 1970

CONGRESSIONAL RECORD — SENATE

S 12933

ments opposing past freight increases and most particularly the last 6% blanket increase. These have had no apparent effect. Accordingly, one can only assume that there must have been more telling arguments in favor of the increases. Would it be possible to learn, in general, the necessity for a blanket increase?

Concerning the decisions the ICC must make on Incentive Per Diem Charges and the second blanket increase in Ex Parte 265, the situation appears to the Grain Growers as follows:

Eastern rails are in general in poorer financial condition than the western rails. However, the eastern rails take advantage of the western rails by using borrowed boxcars which costs them less money than owning their own. So, in effect the western lines subsidize the eastern lines. One result is that the western lines are unable to give service at the peak grain hauling periods.

Profits on grain shipments going out of Montana by rail are very high and seem excessive. According to figures obtained from the USDA, the profit on the average carload of grain shipped out of Montana ranged around 246% of actual cost even before the 6% increase last fall. The grain farmers bear the burden of increasing freight costs out of a declining income that has put many out of business.

Blanket increases of freight rates work the hardest on the states with the highest freight rates, even though the railroads serving them are not those with the greatest financial problems.

The effect of these things seems to be that we grain producers are indirectly subsidizing the eastern roads. If Per Diem Charges in the future are to be based partly on mileage, this will make even less of an incentive for eastern rails to reduce western boxcars.

Perhaps this is not a true picture, and if you feel it is not I would certainly appreciate it if you would 'put us straight'. Or, does the ICC consider the present situation a necessary evil?

Sincerely,

VIGGO ANDERSEN.